



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

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SEP 28 2012

Ref: 8ENF-L

SENT VIA REGULAR MAIL

The Honorable Charlotte Lomeli, Chairwoman
Shivwits Band of Paiute Indian Tribe
26 S. 400 West
Laverkin, UT 84745

Re: June 8, 2012 Site Visit Summary and Subsequent Actions Concerning Hecla Mining Company's
Apex Site Pond 2

Dear Chairwoman Lomeli:

I am writing to summarize the June 8, 2012 meeting and site visit concerning the Apex Site Pond 2 (Site) attended by representatives of the Shivwits Band of Paiute Indian Tribe (Band), Hecla Mining Company (Hecla), the U.S Environmental Protection Agency (EPA) and the Bureau of Indian Affairs (BIA). Further, I want to share with you subsequent actions underway in support of the participants' shared objective of ensuring long term Site integrity. Please extend my appreciation on behalf of the EPA to Band representatives Glenn Rogers, Shannon and Kyle for contributing to a productive meeting.

The purpose of the Site visit was to discuss long term Site monitoring outside the scope of the Administrative Order on Consent (Order) negotiated between Hecla and the EPA in 2004. Hecla asked the EPA to close the Order in May 2011 on the basis that its obligations had been fully performed. Pursuant to the Order, Hecla monitored the wastepile for seven years through 2010 to ensure its integrity and the absence of off-site leachate migration. The EPA confirmed during October 2010 that there was no discernable settling or seepage. In response to the Band's questions associated with the Site's future protectiveness, the EPA arranged the Site visit to explore with the Band, Hecla and the BIA a long-term monitoring mechanism that would continue to provide the monitoring necessary to ensure public health and environmental protection after the Order was closed.

The parties discussed at the meeting the Band's concerns with the wastepile remaining permanently on Site, any potential for release of toxic chemicals and the wastepile's impact on economic development. The discussion focused on historical factors that led to the current situation including: 1) the 2005 amended lease language allowing Hecla to use the leased premises to maintain a permanent tailings impoundment for mined ores, wastes, and contaminated soils; 2) Hecla's renewal of the lease in 2008 for an additional 25 years; and 3) the Site investigations and sampling analyses performed by the EPA in support of its decision to allow Hecla to cap and close the wastepile on Site. Hecla discussed the scope and results of its Site monitoring performed from 2004 to 2010.

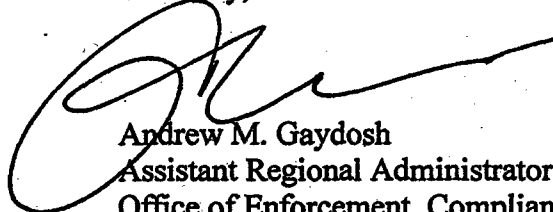
In terms of moving forward, it was the group's consensus that the Band, with BIA's assistance, may contact Hecla directly to discuss any non-monitoring issues relating to the lease, including the reclamation bond amount or annual lease payment. Hecla confirmed its commitment to continue to conduct Site inspections for some period of time. The BIA discussed developing its own version of a monitoring plan based on the September 2011 ATC report and including a cost estimate for removing the wastepile. The EPA reiterated its objective to explore alternative long-term monitoring options prior to closing the Order and continued support for leaving the capped wastepile in place.

Since the Site visit, Hecla management has confirmed its commitment to continue to conduct inspections of the wastepile to allay the Band's concerns and so that the EPA can close the Order. Hecla ideally prefers to reach an agreement with the Band on an institutional control for the wastepile and a long term monitoring fund, with any necessary inspection activities performed by the Band. The BIA continues to draft a scope of work to prepare a monitoring plan. Following up on questions posed by Mr. Rogers concerning the cap's integrity and chances of environmental contamination, I am enclosing an investigative report prepared by EPA Geohydrologist Randall Breeden titled "Technical Memorandum for the Site Visit to the Hecla Impoundment (Pond#2) and Inspection of the Supplemental Environmental Project at the OMG Facility, St. George, Utah," dated June 7, 2005.

The EPA understands that over the next three months the BIA will contract with an engineering firm to prepare a monitoring plan. The EPA will provide the BIA with all relevant Site studies and sampling analyses to assist in defining the scope of the monitoring plan. Similarly, the EPA understands that the BIA requested, and Hecla has since provided, data relating to the cap's installation and design, as well as the monitoring plan and monthly reports it prepared under the Order. It is anticipated that in 2013 the BIA and Hecla will attempt to reach consensus on a long-term monitoring plan for the wastepile, after which time the EPA will close the Order.

If you have questions or concerns, please do not hesitate to phone me at (303) 312-6051. The most knowledgeable persons on my staff regarding this issue are David Duster, Technical Enforcement Program, at (303) 312-6665, and Amy Swanson, Legal Enforcement Program, at (303) 312-6906.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew M. Gaydosh", is written over the typed name and title.

Andrew M. Gaydosh
Assistant Regional Administrator
Office of Enforcement, Compliance,
and Environmental Justice

cc: Glenn Rogers, Former Band Chairman, Shivwits Band of Paiute Indian Tribe
Lawrence Snow, Shivwits Band of Paiute Indian Tribe
Gaylord Robb, Shivwits Band of Paiute Environmental/Economic Development Office
Jeanine Borchardt, Chairwoman, Paiute Indian Tribe of Utah
John Krause, Environmental Scientist, Bureau of Indian Affairs, Western Region Office
John Graves, Bureau of Indian Affairs, Western Region Office
Waylon Denny, Bureau of Indian Affairs, Western Region Office
Brian Bowker, Regional Director, BIA Western Region Office
Kellie Young Bear, Superintendent, BIA Southern Paiute Agency
Paul Schlafly, Natural Resources Specialist, BIA Southern Paiute Agency
Christina Varella, Reality Assistant, BIA Southern Paiute Agency
Paul Glader, Hecla Mining Company
Tina Artemis, Region 8 Hearing Clerk